

# FACTS

*International*

**WHEAT AGREEMENT**

Short Library of Canada

1949-50  
TO  
1952-53

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# Foreword

"The house with the closed shutters" was the name given to the Winnipeg Grain Exchange in the early 1900's by E. A. Partridge, a leader in the young farm movement of that time.

This phrase symbolizes the exclusion which farmers felt in the vital question of the manner in which their grain was handled and marketed. Farm people may have been expected by some to leave the business of grain marketing alone, but, wisely, they were not content to do so.

Organized farmers took the "mystery" out of the grain business. But while the mystery disappeared, their first strong distrust of uncontrolled speculative wheat marketing became a well-founded conviction that the system is unsound and not in the best interests of the farmers' security and welfare.

The new International Wheat Agreement is in some ways a culmination of the western farmers' historic struggle for a system of marketing which would give them secure markets, at fair and stable prices. A true system of orderly marketing cannot be achieved, for wheat at least, on less than an international scale.

In the nature of the case, governments, representing both producers and consumers, must be the agents for any effective International Wheat Agreement. But the strong and persistent support of such an agreement which organized farmers have supplied, has been the constant factor that through all falterings and difficulties has made the present agreement ultimately possible.





**THE AIM** of the agreement, as stated in its text is to:

"overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat."

**TO DO THIS** the Agreement will:

"Assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices."





FORTY-TWO COUNTRIES including Canada, the United States, Australia and the United Kingdom, have entered into an International Wheat Agreement covering the four years 1949-50 to 1952-53.

The following pages outline briefly the essential features of this agreement.





THE AGREEMENT sets out the amounts of wheat which each exporter guarantees to sell, and which each importer guarantees to buy, in each of the four years of the agreement. These guarantees are an obligation on exporters and importers only when prices reach the maximum or the minimums set out in the agreement.

CANADA'S quota is 203 million bushels each year. It therefore has a guaranteed market for this amount of wheat. The various amounts guaranteed under the agreement total 456 million bushels. Canada's export over the two years ending July, 1949 will probably not greatly exceed, on the average, the 203 million bushels guaranteed under the agreement.





THE MAXIMUM price which applies to each of the four years of the agreement is \$1.80 per bushel, basis No. 1 Northern, Ft. Wm.

THE MINIMUM prices are as follows:

1949-50	\$1.50
1950-51	\$1.40
1951-52	\$1.30
1952-53	\$1.20

NOTE: The price to Britain under the U.K.—Canada wheat contract of \$2.00 per bushel for 1949-50 still stands. Other sales of Canadian wheat will be governed by the \$1.80 maximum and \$1.50 minimum as set out in the agreement.







UNLESS PRICES reach the maximum or the minimum during a crop year, there is no obligation upon importers to buy wheat, or upon exporters to sell.

IF PRICES REACH THE MINIMUM, however, importers are required to buy up to the amount of their guaranteed purchases, if the exporters request that they do so.

IF PRICES REACH THE MAXIMUM, exporters are required to sell up to the amount of their guaranteed sales, if the importers request them to do so.





THE AGREEMENT does not interfere with the right of any nation to carry on its wheat business through whatever agency it wishes, private or governmental.

NOR DOES the agreement set selling prices. Prices are to move freely within the limits set by the maximum and minimums.





IMPORTERS have a responsibility to maintain sufficient stocks that their purchases over the year may be distributed evenly.

EXPORTERS have a responsibility to maintain sufficient stocks that their ability to honour the agreement is not endangered.

UNDER the agreement, guaranteed quantities of wheat include both wheat and wheat flour.





COUNTRIES not now in the agreement may enter with the consent of the signatory countries.

CROP FAILURES and extreme financial difficulties may, with the consent of the International Wheat Council, be accepted as reasonable grounds for temporarily relieving exporters or importers of their obligations under the agreement.





PROVISION is made for the setting up of an International Wheat Council, to administer the agreement. Exporters together have the same number of votes as the importers, and votes are apportioned in proportion to each country's guaranteed quantities under the agreement. Each country is to have at least one vote.

ALL TRANSACTIONS counting toward fulfillment of the guaranteed quantities of both importers and exporters will be carefully recorded by the International Wheat Council.



# *Countries Signing the Agreement*

## *Importers*

AUSTRIA	LEBANON
BELGIUM	LIBERIA
BOLIVIA	MEXICO
BRAZIL	NETHERLANDS
CEYLON	NEW ZEALAND
CHINA	NICARAGUA
COLOMBIA	NORWAY
CUBA	PANAMA
DENMARK	PARAGUAY
DOMINICAN REPUBLIC	PERU
ECUADOR	PHILIPPINES
EGYPT	PORTUGAL
EL SALVADOR	SAUDI ARABIA
GREECE	SWEDEN
GUATEMALA	SWITZERLAND
INDIA	UNION OF SOUTH AFRICA
IRELAND	UNITED KINGDOM
ISRAEL	VENEZUELA
ITALY	

## *Exporters*

AUSTRALIA	UNITED STATES OF AMERICA
CANADA	
FRANCE	URUGUAY

